

## Message Text

LIMITED OFFICIAL USE

PAGE 01 BELGRA 01580 251203Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00  
FRB-03 INR-10 NSAE-00 USIA-06 TRSE-00 XMB-02  
OPIC-03 SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15  
STR-07 CEA-01 PA-01 /087 W  
-----040003 251207Z /23  
R 241820Z FEB 78  
FM AMEMBASSY BELGRADE  
TO SECSTATE WASHDC 0000

LIMITED OFFICIAL USE BELGRADE 1580

E.O. 11652: N/A  
TAGS: EFIN, YO  
SUBJ: EXIM GUARANTEE QUESTION

REF: BELGRADE 1579

1. AT HIS FEB 24 MEETING WITH ASSISTANT SECRETARY FOR FOREIGN AFFAIRS BERNARDIC, THE AMBASSADOR BRIEFLY DISCUSSED THE EXIM PROBLEM. HE BEGAN BY SAYING THAT ALTHOUGH HE HAD STATED THE U.S. POSITION EARLIER TO DEPUTY MINISTER LONCAR, HE WISHED TO EXPLAIN IT TO BERNARDIC AS WELL. WHAT THE U.S. GOVERNMENT CONSIDERED UNACCEPTABLE IN THE "PRELIMINARY" RESPONSE OF THE FINANCE MINISTRY WAS NOT THEIR NEGATIVE REACTION TO ALL OF EXIM'S PROPOSALS, BUT THEIR UNWILLINGNESS TO ACCEPT THE DRAFT AS A BASIS FOR NEGOTIATION. THEY IN EFFECT SAID "NO, GO BACK AND TRY AGAIN." THE AMBASSADOR POINTED OUT THAT EXIM HAD COME A LONG WAY TO COMPLY WITH THE UNIQUE YUGOSLAV LEGAL AND ECONOMIC SYSTEM AND THAT SUCH A NEGATIVE RESPONSE LEFT US UNCERTAIN AS TO HOW TO PROCEED. FOR THAT REASON, WE WERE NOW LOOKING TO YUGOSLAVIA TO RESPOND IN A SIMILAR SPIRIT.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 BELGRA 01580 251203Z

2. BERNARDIC RESPONDED THAT HE UNDERSTOOD THE U.S. POSITION AND HE FELT THE PROBLEM WOULD BE SOLVED BECAUSE BOTH PARTIES MUST RESOLVE IT FOR THE SAKE OF THEIR ECONOMIC RELATIONSHIP. HE SAID THAT FROM THE YUGOSLAV SIDE, THE SUPERGUARANTEE CONTRADICTED THE SPIRIT AND THE LAW OF THE CURRENT TREND TOWARD DECENTRALIZATION. IT WAS CLEARLY A CENTRALIST CONCEPT

OUR OF PHASE WITH THE YUGOSLAV SYSTEM -- WHILE STILL  
PERFECTLY ACCEPTABLE TO COUNTRIES SUCH AS POLAND WITH  
A STRONG CENTRALIZED ECONOMY. HE CONCLUDED BY REPEATING  
THAT IT WAS A SOLVABLE PROBLEM -- AGREEING WITH THE  
AMBASSADOR THAT IT WAS FAR LESS COMPLEX THAN KRSKO.  
EAGLEBURGER

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DIPLOMATIC DISCUSSIONS, LOANS, DEVELOPMENT BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 feb 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978BELGRA01580  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780088-0038  
**Format:** TEL  
**From:** BELGRADE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780219/aaaaapiy.tel  
**Line Count:** 68  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 43d8dad0-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 BELGRADE 1579  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3493287  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXIM GUARANTEE QUESTION  
**TAGS:** EFIN, YO, US, XMB  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/43d8dad0-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014